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Deanship of Graduate Studies

Relationship Marketing and Customer Retention: The Case of Jordanian Mobile Telecommunications Companies

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DEDICATION

To my loving and sacrificing mother

To my father's pure soul

To all my family and friends

Arwa Abdalsalam AL-Qralleh

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Abbreviations

RM: Relationship Marketing
RQ: Relationship Quality
CR: Customer Retention
CT: Customer Trust
CC: Customer Commitment
FIB: Financial Bond
STB: Structural Bond
GDP: Gross Domestic Product
JTRC: Jordan's Telecommunication Regulatory Commission.
JTR: Jordan Telecommunications Report Q3 2009.
JER: Jordan Economy Report.
AAG: Arab Advisor Group
OBG: Oxford Business Group
PLS: Partial Least Square
WWW: World Wide Web

Abstract

Relationship Marketing and Customer Retention: The Case of Jordanian Mobile Telecommunications Companies

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Mu'tah University, 2010

This study aimed to examine the relationship between relationship marketing and customer retention under the moderating effects of relationship quality (trust and commitment) in the Jordanian telecommunications companies. Data were collected through using a questionnaire which is consisted of 26 "likert" type items from a judgmental sample of (426) Jordanian undergraduate students , data were analyzed using SmartPLS 2.0 M3 release to determine the interactions between the various constructs.

The results support the direct effect of relationship marketing on customer retention, customer trust and customer commitment, and a positive indirect effect on customer retention through customer trust and commitment. Furthermore, relationship marketing has an indirect effect on customer commitment through customer trust as will as a direct positive effect of trust on commitment, and indirect effect on customer retention through commitment. Moreover each of customer trust and commitment has a positive direct effect on customer retention. Finally, the study has suggested some results and recommendations, and also some directions for future research were proposed.
Keywords: Relationship Marketing, Relational Bonds, Customer Retention, Relationship Quality, Customer Trust, Customer Commitment.

الملخص

التسويق بالعلاقات والاحتفاظ بالعميل: حالة شركات الاتصالات الخلوية الأردنية

أروى عبد السلام سالم القراله

جامعة مؤتة، 2010

هدفت هذه الدراسة الى اختبار العلاقه بين التسويق بالعلاقات والاحتفاظ بالعميل تحت تأثير المتغير الوسيط جودة العلاقة (الثقة والالتزام) في شركات الاتصالات الخلوية الاردنية. تم جمع البيانات من خلال عينة حكمية مكونة من (426) طالب وطالبة من الجامعات الاردنية وذلك بأستخدام استبانة اعدت خصيصا لهذا الغرض تكونت من 26 عبارة على مقياس ليكرت الخماسي.تم اختبار العلاقات بين متغيرات النموذج باستخدام برنامج SmartPLS 2.0 M3.

وقد اشارت النتائج الى وجود اثر ايجابي ومباشر للتسويق بالعلاقات على الاحتفاظ بالعميل، ثقة العميل و التزام العميل، واثر ايجابي غير مباشر للتسويق بالعلاقات على الاحتفاظ بالعميل من خلال الثقة والالتزام. إضافة إلى إن التسويق بالعلاقات له تأثير غير مباشر على الالتزام من خلال الثقة. اضافة الى ان للثقة اثر ايجابي ومباشر على التزام العميل وغير مباشر على الاحتفاظ بالعميل من خلال الالتزام. كما قدمت هذه الدراسة عددا من التوصيات وبعض التوجيهات للابحاث المستقبلية ذات الصلة بموضوع البحث.

الكلمات المفتاحية: التسويق بالعلاقات، الروابط العلائقية، الاحتفاظ بالعميل، جودة العلاقات، ثقة العميل،التزام العميل.

Chapter One
Introduction

1.1 Introduction

The telecommunication sector in Jordan is enjoying a boom due to liberalization and privatization of the sector. Currently, Jordan has four mobile phone networks (Zane, Orange, Express, and Munich) (JTR, 2009). The main strategy for mobile service providers in the mature market, and very intense competition, is the strategy of concentrating their resources and effort on retaining their customers, not the customer acquisition strategy (Kim, Park & Park, 2003). In addition, the cost of winning a new customer is five times that of retaining an old customer, and the profit achieved by winning over 10 new customers cannot offset the expense of losing a valuable customer (Peter & Verbose, 2001). Therefore, it is important for mobile operators to develop well-designed programs to increase customer retention (Lee, Lee, & Freak, 2001). Moreover, customer retention is concerned with maintaining the business relationship established between a supplier (service provider) and a customer (Peighambari, 2007). Relationship marketing has changed the marketing orientation from attracting short-term, discrete transactions to retaining long-lasting, intimate customer relationships. Relationship marketing is the bond of the customer and the company (Berry, 1995). (Morgan and Hunt, 1994) thought that relationship quality, which composes of trust and commitment, is the key point of successful relationship marketing strategy. (Chen, 2003) suggests that relationship-marketing strategies could enhance customer retention through relationship quality. Therefore, businesses that develop a relationship-marketing strategy should care about relationship quality to enhance customer retention.

Several studies were conducted in relation to this critical issue. These studies attempt to explain different factors and determinants affecting customer retention. The current study aims to investigate how relationship marketing affects customer retention, with relationship quality as a mediator.

1.2 Statement of Problem

Table (1.1) indicates that Zane was dominant in terms of mobile phone market share in 2006. However, figures of 2009 indicate that the market share of Zane and Orange decreased, Munich, on the other hand, increased. This has led to intense price competition in an effort to retain current customers, and to gain more subscribers. In the Jordanian mobile telecom industry, customers are able to choose among multiple service providers and actively exercise

their rights of switching from one service provider to another. Consequently, because acquiring new customers is more difficult and expensive than retaining existing customers (Brown, 2004), the communication companies try to better serve their existing customer rather than acquire new customers. The customer retention strategy is becoming an important managerial issue, especially in the context of saturated market or lower growth of the number of new customers (Ahmad and Bottle, 2002).

Table (1.1)
Mobile Phone Market Share In Jordan

	2006		2009	
Company	**Number**	**Percent**	**Number**	**Percent**
Zane	1960000	48%	2445000	44%
Orange	1400000	34%	1701300	30%
Munich	700000	17%	1430000	26%

Source: Jordan Telecommunications Report Q3 2006 and Q1 2009.

Retaining customers in the service industry has become a major objective of relationship marketing. Relationship marketing is considered to be essential for building long-term relationships with customers in order to achieve mutual benefits of all parties (Peighambari, 2007). Although relationship marketing has been implemented by service providers, customers still tend to switch to competitors. Therefore, this study has been conducted to examine the direct effect of relationship marketing on customer retention, and the moderating effect of relationship quality (trust and commitment) within Jordanian mobile telecommunication companies. Based on the above discussion, the major issues that the researcher tries to investigate are the following problematic questions:

1. What is the significant effect of relationship marketing employed by Jordanian mobile telecom companies on its customer retention?
2. What is the significant effect of relationship marketing employed by Jordanian mobile telecom companies on its customers' commitment and trust?
3. Do Jordanian mobile telecom companies' customer commitment and trust affect their customer retention?
4. Is customer trust important in determining customer commitment with Jordanian mobile telecom companies?

1.3 Importance of the study

The importance of this study stems from the following:

1. The size of service sectors and their contributions to most of the world's economies is in rapid increase. With regard to Jordan, the economy remains very much a services' economy, which accounts for around 86% of JDP (JER, 2009).
2. The current study concentrates on the mobile telecommunications sector in Jordan. The number of mobile subscribers reaching 101 percent of the country's population of 6 million in the year of 2009, generate annual revenue of around JD 836.5 million per year, which is equivalent to 13.5% of GDP (JTR, Q1, 2010).
3. This study focuses on a relatively unexplored issue, customer retention in Jordan. There is a lack of studies conducted in this area till now in Jordan. Therefore, the current study represents a starting point for other researchers to study customer retention in several contexts in Jordan.
4. Consequences of this study will help the service providers in Jordan to make justified marketing decisions, thereby providing better services for their customers.
5. The findings of this study will be useful for academicians; they can gain insights and suggestions for future research.

1.4 Objectives of the study

The main aim of this study is to investigate the major factors that affect customer retention. This aim will be achieved by the following objectives:

1. Analyzing the concept and the importance of relationship marketing, relationship quality and customer retention in the mobile telecom sector.
2. Investigating the effect of relationship marketing on customer retention, customer trust and customer commitment.
3. Investigating the effect of customer trust and customer commitment on customer retention.
4. Investigating the indirect effects of relationship marketing on customer retention through customer trust and commitment.
5. Determining the effect of customer trust on customer commitment.
6. Suggesting some recommendations to increase the customer retention rate based on the study results.

1.5 Organization of the study:

This study consists of five stages presented in five chapters. The flow of the stages is shown in Figure 1.1.

Chapter 1 introduces the background to the research topic – the effect of relationship marketing on customer retention through relationship quality as a mediating variable in the context of the mobile telecommunication sector; states the title, objectives and significance of the research and outlines the overall study.

Chapter 2 reviews literature from various sources for an understanding of the development of mobile telecommunications, research findings related to the influence of relationship marketing and relationship quality on customer retention. This chapter also depicts the research model and presents the hypotheses based on the literature reviews.

Chapter 3 evaluates various research methodologies to deal with the research problems and to meet the research objectives. A research plan incorporating a quantitative survey questionnaire, sampling methods and data collection administration will be described.

Chapter 4 analyzes the survey results and assesses the research findings. The profiles of the survey sample will be presented. Data collected from the survey will be statistically analyzed and interpreted. Hypotheses will be tested and the significance of the variables will be demonstrated.

Chapter 5 discusses and concludes the linkage between the research problems, theories, and the findings of the study. Research and practical implications and limitations of this study will be presented. Suggestions for further research opportunities will be recommended.

Figure (1.1)
Study Outline

Chapter one
Introduction
Introduction, Problem Statement, The importance of the study, Aim and objectives of the study, and Organization of the study.

Chapter Two
Theoretical Framework & Literature Review
Theoretical Framework, Literature Review, Study Model, and Hypotheses Development.

Chapter Three
Design & Methodology
The Research Design, Research Method, Population and sample selection Data Collection method and Instrument, Variables measurement, Analyses Tools, Instrument Validation and Reliability.

Chapter Four
Data Analysis & and Hypotheses Testing
Sample Characteristics, Data Descriptive Analysis, Hypotheses Testing and Results, and Interpretation of the Findings.

Chapter Five
Conclusions and Recommendations
Discussion of Findings, Limitations, Recommendations, Implications of the Study and Future Researches.

Chapter Two
Theoretical Framework and Literature Review

2.1 Theoretical Framework

This chapter will present an overview of mobile services in Jordan. It will also discuss the related literature to customer retention, relationship marketing and relation quality. Afterwards, the recent previous studies will be addressed.

2.1.1 Mobile Services in Jordan: An Overview

When one considers its lower GDP per capita, Jordan becomes a standout country in the region for its relatively well-developed telecoms sector (Jordan Telecoms, Mobile & Broadband report, 2009). Jordan's communications market is one of the region's most dynamic markets. Over the past few years, Jordan's communications market passed through massive changes in terms of privatization and liberalization, which has resulted in enhanced offerings of advanced services to the consumers at increasingly competitive rates. Fastlink, now known as Zain, was founded in 1995. It was the first operator to introduce mobile phone services in Jordan. In December 1999 the government sold a 40% stake in JTC to a joint venture of France Télécom and the local Arab Bank for US$508 million. JTC's first major move following the sale was the introduction of the country's second cellular service, Mobilecom (now Orange). The cellular market in Jordan is also a highly competitive market. year 2001 was a year of more competition which induced rate reductions, user awareness, heightened marketing and more flexible packages offered by both mobile operators at the time, Fastlink and Mobilecom, whereby the market grew by 462,000 (almost double the rise in subscribers in 2000). The entrance of a third cellular operator (XPress) in 2004 and a fourth cellular operator in June 2005 (Umniah) had a substantial effect on the intensity of competition which raised the country's mobile penetration to reach 57.4% by the end of 2005, up from 24.9% back in 2003. (Arab Advisors Group, 2007). By the end of 2008, mobile penetration in Jordan had risen 90.6%, and it is at 93% in 2009. During 2008, Jordan's mobile subscriber market expanded by 18.2%, with the total number of mobile users rising to 5.523mn by the end of the year. Mobile subscriber growth in 2008 was stronger than in 2007, when the market expanded by 7.7% (JTR Q1, 2009). By the end of 2009, the sector had crossed the 101% penetration rate threshold. Newly extended mobile subscriber forecast for Jordan predicts an average annual growth rate of 7.4% per year through the end of 2014 (JTR Q1, 2010).

2.1.2Customer Retention (CR)

Customer retention has been conceptualized as a dimension of a customer loyalty construct (Zeithaml, Berry & Parasuraman, 1996). Indeed, the terms “customer retention” and “customer loyalty” are often used interchangeably in literature (Zeithaml, Berry & Parasuraman, 1996; Peighambari, 2007). ‘Customer retention’ is concerned with repeated patronage, which is closely related to repeat-purchasing behavior and brand loyalty (Jacoby and Chestnut, 1978). ‘Brand loyalty’ contains attitudinal aspects whereas customer loyalty contains both attitudinal and behavioral aspects. Customer retention only focuses on developing marketing strategies that cause repeat-purchasing behavior and ignores factors that influence such behavior (Hennig-Thurau and Klee, 1997).

Customer retention is one of the primary goals of all companies (Pine, Peppers & Rogers, 1995; Reichheld & Sasser, 1990). Many industries have already experienced a rearrangement of marketing budgets in order to devote more resources to defensive marketing, namely customer retention (Patterson & Spreng, 1998). Also customer retention is concerned with maintaining the business relationship established between a supplier (service provider) and a customer. This can be achieved in two ways. The "first is by subsequent purchases, or by extending the customer's contract with the supplier over a specified period of time (ex post perspective). The second is by the intention of the customer to make future purchases from the provider, or to refrain from quitting the contract. (ex ante consideration) (Herrmann & Johnson, 1999; Peter, 1997; Peighambari, 2007). A summary of some of the CR definitions is given below:

Table 2.1
Definitions of Customer Retention

Source	Definition
Blattberg, Getz & Thomas (2001)	State that customer retention takes place when a customer keeps on buying the same market offerings over a long period of time.
Ramakrishnan, 2006).	This can be described as the marketing goal of keeping your customers from going to the competitor
(Kotelnikov, 2006).	It entails keeping customers active with the firm and involves the optimal allocation of marketing resources
Szűts & Tóth (2008)	Defined customer retention as the ability to hold on to customers over time.

2.1.2.1Customer retention Benefits

Previous studies have identified the benefits that customer retention delivers to an organisation (Colgate et al., 1996; Reichheld and Sasser, 1990). For example, the longer a customer stays with an organization the more utility the customer generates (Reichheld and Sasser, 1990). (Reichheld, 1996) identified six economic benefits of retaining customers:

1. Saving customers' acquisition or replacement costs.
2. Guarantee of base profits as existing customers are likely to have a minimum spends per period.
3. Growth in per-customer revenue as, over a period, existing customers are likely to earn more, have more varied needs and spend more.
4. Reduction in relative operating costs as the firms can spread the cost over many more customers and over a longer period.
5. Free of charge referrals of new customers from existing customers which would otherwise be costly in terms of commissions or introductory fees.
6. Price premiums as existing customers do not usually wait for promotions or price reductions before deciding to purchase, in particular with new models or versions of existing products.

2.1.3 Relationship Marketing (RM)

Nowadays customers are considered in the scientific literature as a company asset (Lewis, 2005) According to this point of view, customers should be regarded as economical values. Such an approach would lead to a differentiated treatment towards distinctive categories of customers according with their long term level of profitability for the company (Haenlein, Kaplan & Schoder, 2006). In consequence, the marketing activity should be differentiated by the performance brought by each customer. It is obvious that such an approach is not specific to mass marketing, but only to a personalized marketing, characteristic for the relationship marketing approach (Pop, 2006). The traditional approach, on the one hand, generally tends to emphasize acquiring new customers and increasing market share, partitioning heterogeneous customers into homogenous segments and using brands to promote products and attract new customers. On the other hand, the relationship marketing approach generally tends to emphasize keeping existing customers, increasing share of customers' spending and maintaining long-term relationships with individual customers (Ahmad & Buttle, 2002).

Relationship marketing is defined as the process of attracting, maintaining and enhancing relationships with key people (Young, 1988). It focuses on the interaction between buyers and sellers and is concerned with

winning and keeping customers by maintaining links between marketing, quality and customer service (Grönroos, 1994).(Morgan and Hunt , 1994, p 22) define relationship marketing as "all marketing activities directed toward establishing, developing, and maintaining successful relational exchanges. (Hougaard & Bjerre , 2002) defines it as a company behavior with the purpose of establishing, maintaining and developing competitive and profitable customer relationships to the benefit both parties. The promise of relationship marketing is that efforts can generate enduring long-term customer relationships that enhance vendor performance and customer purchase behavior (Palmatier, Dant, Grewal & Evans 2006). A summary of some of the RM definitions is given below:

Table 2.2
Definitions of Relationship Marketing

Authors	Definition	Context
Berry (1983)	Attracting, maintaining and enhancing customer relationships	Services
Grönroos (1990)	To establish, maintain, and enhance relationships with customers and other partners, at profit, so that the objectives of the parties involved are met. This is achieved by a mutual exchange and fulfillment of promises	Valid to be used in all contexts
Christophe, et al (1991)	Concerns the dual focus of getting and keeping customers	Services
Morgan & Hunt (1994)	All marketing activities directed toward establishing, developing and maintaining successful relational exchange	Business-business
Palmer (1994)	Strategies that enhance profitability through a focus on the value of buyer-seller relationships over time	Marketing education
Parvatiyar & Sheth (2000)	Ongoing process of engaging in cooperative and collectivized activities and programs with immediate and end-user customers to create or enhance mutual economic value at reduced cost	Business-to-customer
Kim and Cha(2002)	A set of marketing activities that attract, maintain, and enhance customer relationships for the benefit of both sides, emphasizing retaining existing customers	Hotels

Source: Shammout, 2007

2.1.3.1 Relationship Marketing Bonds (Relational Bonds):

The development of a relationship between customer and provider requires some kind of bond or tie between the two parties (Vieira & Ennew, 2004). Bonding is defined as the dimension of a business relationship that results in two parties (buyer and seller) acting in a unified manner towards a desired goal (Dash, Bruning & Guin 2007). (Berry & Parasuraman , 1991) propose that the relationship marketing activities of a company include: (1) financial bond; (2) structural bond; (3) social bond.

Financial bonds are referred to as frequency marketing or retention marketing, where the service provider uses economic benefits to secure customer loyalty (Berry, 1995). (Harrison-Walker & Neeley, 2004) Indicated that financial bond relies on pricing incentives to develop customer loyalty. These are implemented by offering price discounts or reductions to the customer and they serve to lower the 'cost' for the customer. Also financial bonds are tying the customer primary through financial incentives that may be in form of lower prices for greater volumes purchases or lower prices for customers who have been with the firm for a long time (IBRC, 2005). In addition to monetary incentives, a non-monetary time saving is also proposed by scholars. Customers that have developed a long-term relationship with a service provider could get quicker service than other customers (Gwinner, Gremler and Bitner, 1998). In previous studies, researchers have argued that one motivation for customers to engage in relational exchanges is to save money (Berry, 1995).

Structural bonds are those forces that create impediments to the termination of the relationship. It is the degree to which certain ties link and hold a buyer and seller together in a relationship as a result of some mutually beneficial economic, strategic, technological, or organizational objective (Williams, Han, & Qualls 1998). Structural bonding tactics are knots relating to the structure, administration, and institutionalization of norms in a relationship. The rules, policies, procedures, infrastructure, or agreements that provide a formal structure to a relationship; the norms or routines that informally govern interaction; and the organizational systems and technologies that enable or facilitate interaction, all effectively provide psychological, legal, and physical ties with exchange partners (Liang & Wang, 2006). Structural bonds are present when business enhances customer relationships by offering solutions to customer problems in the form of service-delivery systems, rather than remaining dependent upon the relationship building skills of individual service providers (Lin, Weng & Hsieh, 2003). These solutions are valuable to clients and not readily available from other sources (Berry, 1995).

Based on the existing literature, the researcher believes that mobile service provider can build customer relationships by initiating financial or structural bonds. The social bonds will not be considered in measuring relationship marketing in this study because the social bonds become more important in the physical environment. In the context of mobile services, the relations between customer and supplier lack the physical environment, where most of customer-supplier relations are through email, SMS, and telephone. Accordingly, face-to-face contact is limited. A situation like this is, thus, likened to a virtual environment. Lin et al. (2003) state that customers, that like social interaction, prefer face-to-face contact rather than virtual contact. Therefore, the social bonding strategy could be more useful in a physical environment than in a virtual environment. Both dimensions (financial and structural) will be considered to measure relationship marketing.

2.1.4 Relationship Quality (RQ)

Relationship quality arose from theory and research in the field of relationship marketing (Crosby, Evans & Cowles, 1990) in which the ultimate goal is to strengthen already strong relationships and to convert indifferent customers into loyal ones (Berry and Parasuraman, 1991). It is defined as the overall assessment of the strength of a business relationship (Smith, 1998; Lages et al., 2005).

Relationship quality is stated by (Dwyer, Schurr and Oh, 1987) as a higher order construct consisting of several distinct, although related dimensions. In order to understand relationship quality, it is necessary to think about both definitions of the aggregate construct and assessment of the dimensions that make up the construct (Wong & Sohal, 2002). Components or dimensions of relationship quality proposed in past research include cooperative norms (Baker, Simpson & Siguaw 1999), opportunism (Dorsch, Swanson & Kelley 1998) and customer orientation (Dorsch et al., 1998). Moreover, Grosby et al. (1990) viewed relationship quality as a high-order construct and should contain at least two dimensions: trust and satisfaction. (Morgan & Hunt, 1994) drew the commitment-trust theory by proposing that trust and commitment are two basic constructs for measuring relationship quality. Therefore, previous studies have shown strong empirical support for using dimensions of commitment and trust to measure relationship quality. Furthermore, these dimensions have also been previously empirically tested and have proved to have predictive validity (Colgate & Smith, 2005). The current study was based on Morgan & Hunt (1994) to measure relationship quality.

2.1.4.1 Customer Commitment

Commitment is recognized as an essential ingredient for successful long-term relationships (Dwyer et al. 1987; Garbarino & Johnson, 1999; Morgan and Hunt, 1994). Commitment can be described as a customer's long-term orientation toward a business relationship that is grounded on both emotional bonds (Geyskens, Steenkamp, Scheer & Kumar, 1996) and the customer's conviction that remaining in the relationship will yield higher net benefits than terminating it (Soellner, 1994). Customer commitment has been defined as an enduring desire to maintain a valued relationship (Moorman, Zaltman & Deshpandé, 1992). It is the obligation the customer places on himself - based on emotional or calculative reasoning - to stay in the business relationship (Geyskens et al. 1996).

A summary of the commitment research has considered commitment to be an attitude and/or a behavior (or intention) (O'Malley & Tynan, 1997). However a useful typology to study relationship commitment involves measures of affective and calculative commitment (Gounaris, 2005). Affective commitment reflects the desire to continue a relationship because of a psychological attachment, kinship or bond. Calculative commitment, on the other hand, is based purely on cost – benefit analysis, separate and distinct from the relationship context. This type of commitment manifests itself in the perceived need to maintain the relationship, due to the calculated investment and/or termination costs of leaving the relationship. The majority of buyer-seller commitment research has focused on the single construct, affective form of commitment (e.g., Anderson & Weitz, 1992; Morgan & Hunt, 1994).

2.1.4.2 Customer Trust

Trust is commonly considered the primary and fundamental requirement for successful relationship development and enhancement (Grönroos, 1996; Medlin, Aurifeille & Quester, 2005). Trust is a fundamental relationship building block, and has been widely studied in many buyer-seller relationship models, particularly as a crucial factor in the shift from discrete market transactions to continuous exchange relationships (Dwyer et al. 1987; Ganeson 1994).The presence of multiple definitions of trust in the literature is likely due to two reasons. First, trust is an abstract concept and is often used interchangeably with related concepts such as credibility, reliability, or confidence. Thus, to define the term and to delineate the distinction between trust and its related concepts have proven to be challenging for researchers. Second, trust is a multi-faceted concept that incorporates cognitive, emotional, and behavioral dimensions (Lewis & Weigert, 1985).

Much attention on trust was drawn from relationship marketing perspectives. Relationship marketing focused not on discrete transactions, but rather on relational exchange, which was ''longer in duration, reflecting an ongoing process'' (Dwyer et al. 1987, p. 23). Trust, defined as ''a willingness to rely on an exchange partner in whom one has confidence'' (Moorman, Deshpande, & Zaltman, 1993, p. 90), had assumed an essential role in establishing and maintaining a long-term relationship between sellers and customers. Theoretical and empirical research support two dimensions for consumer trust (Chaudhuri & Holbrook, 2001). The first dimension is credibility or competence trust. Competence trust relates to the credibility established regarding the ability of the manufacturer (or service provider) to deliver what has been promised. As a result, this dimension taps into the production, knowledge and resource capabilities of the manufacturer. In contrast, benevolence trust focuses on the perceived motives and intentions of the manufacturer (or service provider). Benevolence trust deals with the degree to which the consumer perceives that the company is concerned about the customer and his/her needs and wants (Gwin, 2008).

2.2 Literature Review:

The first step in developing this study instrument was an extensive and in-depth literature review. To achieve this aim the researcher has summarized the previous studies in the following table (2.3):

Table (2.3)
Summary of Previous Studies

Author(s)/ year	Title of Study	Objectives	Country/ Sample Size	Results
Chih , Huang Yang & Cho (2009)	Online Relational Bond, Trust and Customer Loyalty	To establish model to verify the impact of the relational bonds on trust and customer loyalty	Taiwan/ 310	-First, different relational bonds (social bond, financial bond and structural bond) all have positive impact both on trust and customer loyalty; -Second, trust has the mediating effects between various relational bonds and customer loyalty.
Kassim , Bahari & Kassim (2009)	Retaining Customers through Relationship Marketing in an Islamic Financial Institution in Malaysia	This study aims to determine whether customer relationship marketing (CRM) influenced by the variables - customers' satisfaction, employees' commitment, customers' trust and customers' loyalty.	Malaysia\ 152	-There is a strong positive relationship between customer relationship marketing and customers' satisfaction (81%), customers' trust (77.8%), employees' commitment (76.2%) and customers' loyalty (69.5%).
Zhang & Feng (2009)	The impact of customer relationship	This study is aimed to investigate the impact of relationship marketing	Swede \101	-The Relationship marketing tactics are positively related to relationship quality.

	marketing tactics on Customer Loyalty within Swedish Mobile Telecommunication Industry	tactics on customer satisfaction and trust, which in turn increase customer loyalty,		-Relationship quality (trust and satisfaction) are positively related to loyalty.
Liang , Chen & Wang (2008)	Does online relationship marketing enhance customer retention and cross-buying?	To develop and empirically tests a model that examines the relations among relationship-bonding tactics, perceived relationship investment, perceived relationship quality, customer loyalty, customer retention, and crossbuying.	Taiwan\766	-The results demonstrate the effectiveness of relationship marketing as it positively influences online customers' perception, then their loyalty, and ultimately, their actual purchase behavior.
Eppie ,(2007)	Factors Affecting Customer Retention in Internet Banking among Hong Kong Professionals and Business Practitioners	This research aim of investigating how customer retention in the scope of Internet banking in Hong Kong is affected by customer satisfaction, customer commitment and trust among professionals and business practitioners.	Hong Kong\ 208	-Customer satisfaction has a significant positive impact on customer retention. -Customer commitment and trust have negative influence on customer retention in the context. -These two factors, as single effort with or mediating for customer satisfaction, do not display an effective role in

				enhancing the relationship towards customer retention.
Lin & Chung (2007)	The Impacts of Relationship Marketing on Relationship Quality and E-Loyalty — Taking Internet-Based Search-Experience-Credence Products as an Example	To Investigate The Impacts of Relationship Marketing on Relationship Quality and E-Loyalty	Taiwan	-The financial, social, and structural bonds have positive impacts on relationship quality and e-loyalty while relationship quality has a positive impact on e-loyalty. -Finally, the greater the relationship quality between e-trailers and customers, the higher the e-loyalty.
Gustafsson, Johnson & Roos (2005).	The Effects of Customer Satisfaction, Relationship Commitment Dimensions, and Triggers on Customer Retention	To examine the effects of customer satisfaction, affective commitment, and calculative commitment on retention. The study further examines the potential for situational and reactional trigger conditions to moderate the satisfaction–retention relationship.		-There is an effect of customer satisfaction, calculative commitment, and prior churn on retention.
Graf & Perrien (2005).	The Role of Trust and Satisfaction in a Relationship :A case	To develop a model illustrating the mediating role of the trust on buyer-		-The impact of satisfaction and trust on the continuity of the relationship was significant;

	of high teach and firms and Banks.	seller relationships in the commercial banking sector and to compared it to the role of satisfaction.		satisfaction will contribute more to retaining current client, while trust may contribute to the development of the account manager's portfolio.
Lin, Weng & Hsieh (2003).	Relational Bonds and Customer's Trust and Commitment :A Study on the Moderating Effects of Web Site Usage	To examine the relationship between the various relational bonds and customer trust and commitment under the moderating effects of corporate website usage.	Taiwan\200	-First, the relational bonds that foster customer trust and commitment can be categorized empirically into three types: economic, social and structural bonds. -Second, all of these bonds are significantly positively correlated with the customers' trust and commitment. -Finally, customer use of a corporate website significantly moderates the relationship between the relational bonds and customer relational performance.
Ranaweera & Prabhu (2003)	The influence of satisfaction, trust and switching barriers on customer retention in a	To examine the combined effects of satisfaction, trust and switching barriers on customer retention in a continuous purchasing	UK\London	-Both customer satisfaction and trust have strong positive effects on customer retention, -The interaction between trust and satisfaction also has a significant effect on retention.

	continuous purchasing setting.	setting.		
Chen, Chen & Yeh (2001).	The Effects of Relationship Commitment and Trust on Business to Consumer Electronic Commerce	This paper focuses on the business to consumer segment of the electronic commerce regarding the effects of relationship commitment and trust	Taiwan\250	-Commitment and trust factors play vital role in customer retention. -Through the relationship commitment, all the antecedents to the relationship commitment and trust will indirectly influence on the propensity to leave. Also the trust has indirect effect on propensity to leave through relationship commitment.

2.3 Study Model

The importance of relationship marketing has received considerable research attention, particularly in service contexts (Macintosh & Lockshin, 1997). In mature markets the attention of management moves to defensive marketing, addressing the existing customer base, rather than offensive marketing, aiming at new customers (Johnson & Selnes, 2004). Chen (2003) suggests that relationship-marketing strategies could enhance customer retention through relationship quality. Therefore, businesses that develop a relationship-marketing strategy should care about relationship quality to enhance customer retention.

The Jordanian mobile telecommunications market is entering a new transition period. In response, the industry is shifting its strategic focus away from just attracting new customers, towards gaining new customers and retaining existing customers through the promotion of customer retention. Relationship marketing is considered to be essential for building long-term relationship with customers in order to achieve mutual benefits of all parties. Although relationship marketing has been widely implemented by service providers, customers still tend to switch to competitor. Despite the phenomenal growth in market, there are no other studies conducted in the Jordanian mobile telecommunications market about the effect of relationship marketing strategies on customer retention. Therefore, this study was conducted to apply the model which aims to examine the impact of relationship marketing on relationship quality (trust and commitment), and in turn effect the customer retention within on Jordanian mobile telecommunication industries.

Based on the theoretical framework and previous studies, the researcher has constructed the proposed model shown in figure (1.2) below. The model illustrates the independent variable (relationship marketing), dependent variable (customer retention), and the moderator variable (relationship quality). Two elements of relationship quality, which are trust and commitment, have been considered to measure relationship quality.

The model of the current study is modified from the previous study models to conform to Jordanian telecommunications environment (see Table 2.3).

Table (2.4)
Building the model of the current study

Variables	Source
Relationship Marketing & customer retention.	Liang et al., (2008)
Relationship Marketing & Relationship quality & Customer loyalty.	Chen, 2003; Lin & Chung, 2007; Shammout, 2007)
Relationship Marketing & Relationship quality (trust and commitment).	Kassim et al. 2009; Lin et al. 2003; Smith ,1998
Customer commitment & customer retention.	Verhoef, 2003; Gustafsson et al. 2005)
Customer trust & customer retention	Gounaris, 2005; Ranaweera, & Prabhu, 2003.

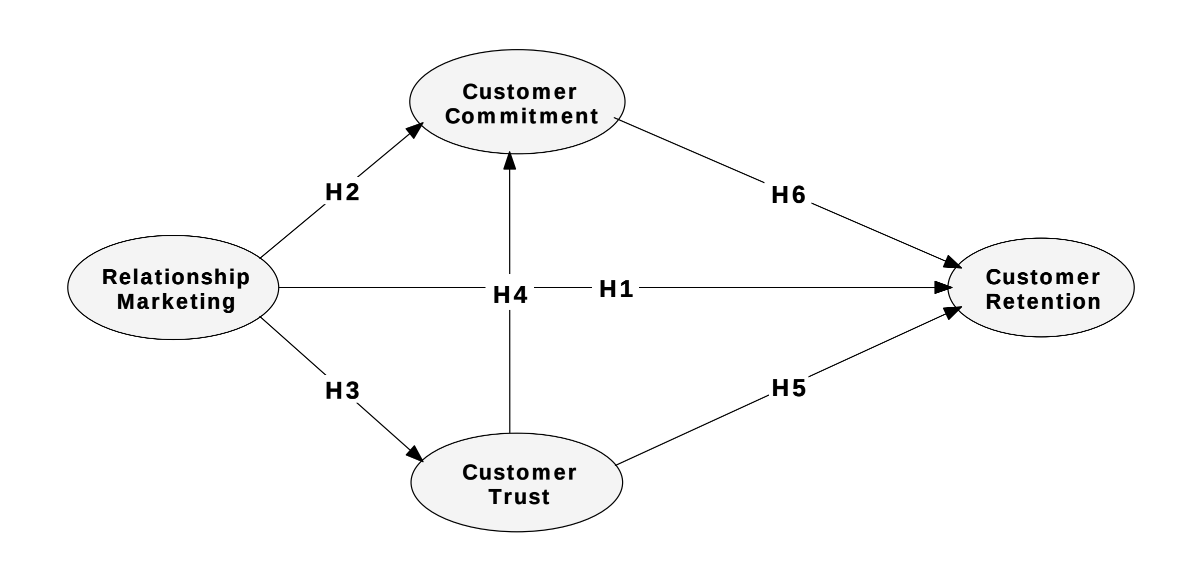


Figure (2.1)
Study Model

2.4 Hypotheses Development

To examine the points previously discussed and address the issues raised, it has formulated the following hypotheses with explication based on the Figure (2.1).

2.4.1 Relationship Marketing & Customer Retention, Commitment & Trust

Relationship marketing is a set of marketing activities that attract, maintain, and enhance customer relationships for the benefit of both sides, emphasizing retaining existing customers (Kim and Cha 2002). Developing relational bonds is the main strategy used in successful buyer-seller relationships (Wilson, 1995). Such bonds can help strengthen and maintain a relationship, and therefore positively influence other relational outcomes (Arantola, 2002, Lin et al., 2003; Liang and Wang, 2005). Relational bonds are widely considered as cornerstones for keeping customers loyal (Parasuraman 1991, Berry 1995). It has been shown to generate strong customer relationships that enhance customer loyalty and firm profits (Chiu, Hsieh, Li & Lee, 2005; Liang & Wang, 2006; Palmatier, et al. 2006). Reichheld and Sasser (1990) and Reichheld (1996) have studied customer lifetime value and the value of building customer retention by listening to their complaints, anticipating their defection, and understanding why customers move to competitors. Customers remain loyal because of the value they receive from the supplier.

Turnbull and Wilson (1989) argue that if the firm needs to protect itself from competitors by keeping customers, marketing activities that create value to these customers are strongly required. These activities should invest in creating relational bonds with customers. There is empirical evidence to suggest that relational bonds are associated with relationship quality (Smith, 1998; Lin & Chung, 2007). Based on this, the following hypotheses are developed:

H1: Relationship marketing has a positive direct effect on customer retention of mobile service users.

H1a: Relationship marketing has a positive indirect effect on customer retention of mobile service users through customer commitment and trust.

Lin et al. (2003) found that relational bonds are significantly positive correlated with the customers' trust and commitment. Furthermore, Bennett (1996) argued that relationship marketing aims to establish long-term, committed, trusting and co-operative relationships, which are characterized by openness, genuine customer suggestions, fair dealing, and a willingness to sacrifice short-term advantages for long-term ones. There is empirical evidence to suggest that relational bonds are associated with relationship

quality (Smith, 1998; Lin et al. 2003)). Smith (1998) stated that relational bonds reduce the risk inherent in voluntary exchange relations, and provide a foundation for the trust needed to risk greater commitment. This feeling of reduced anxiety, trust, and confidence in the provider appear to develop over time and only after a relationship has been established between customer and the service providing organization. Trust is best understood as a stage in a process of developing relationship. Thus, loyalty or commitment underlies the ongoing process of continuing and maintaining a valued and important relationship that has been created by trust (Chaudhuri & Holbrook, 2001). Based on the literature review, it can be established that there is a positive relationship between relationship marketing and trust (Chih et al, 2009; Lin et al, 2003) and relationship marketing and commitment (Zhang & Feng, 2009; Lin et al, 2003). Based on this, the following hypotheses are developed:

H2: Relationship marketing has a positive direct effect on customer's commitment of mobile service users.

H2a: Relationship marketing has a positive indirect effect on customer's commitment of mobile service users through customer trust.

H3: Relationship marketing has a positive direct effect on customer's trust of mobile service users.

2.4.2 Customer Trust, Commitment, and Retention

In relationship marketing literature, trust is generally considered as a key antecedent of relationship commitment (Moorman et al. 1992; Morgan and Hunt 1994; Geyskens et al. 1996; Garbarino and Johnson 1999) and was significantly related to relationship commitment (Chen et al, 2001). Commitment underlies the ongoing process of continuing and maintaining a valued and important relationship that has been created by trust (Chaudhuri & Holbrook, 2001). Trust occurs when one is sufficiently satisfied or convinced about one's feelings in favor of some situation to make an emotional investment and move to a high level of commitment (Brugha, 1999). Based on this, the following hypothesis is developed:

H4: Customer's trust has a positive direct effect on customer commitment of mobile service users.

Morgan and Hunt (1994) propose that relationship commitment and trust are key variables for successful relationships because they promote cooperative behaviors between relationship partners and encourage them to maintain long-term relationships. Customer trust in a company can play a significant role in determining the customer's actions regarding that company. Recognizing that, a vital key to retaining customers is maintaining their trust in the vendor (Reichheld & Schefter, 2000). Trust serves as a strong trigger for enhancing customer retention (Teichert &

Rost 2003). Empirical research has shown that trust increases customer intention to repurchase a product from a company (Jarvenpaa, Tractinsky, & Vitale, 2000). Doney & Cannon, (1997) confirmed a positive relationship between customer trust in company and customer retention, and intention to return to a company.

Customer commitment to the supplier is a very important driver of customer loyalty in service industries (Fullerton, 2003). Retention of a customer requires the customer to be committed to the relationship. Long-term commitment on the part of the customer and the firm to maintaining relationship and commitment is the precursor to retention (Soni, Wilson, & O'Keefe, 1996). Morgan & Hunt (1994) indicated that commitment has an effect on the intention to remain through the impact of the dimensions of acquiescence and propensity to leave. Relationship quality influences retention only when it elicits sufficient customer commitment, and achieving customer commitment is critical for getting customers back to the market (Sun, Zhang & Xue, 2005). Based on this, the following hypotheses are developed:

H5: Customer's trust has a positive direct effect on customer retention of mobile service users.

H5a: Customer's trust has a positive indirect effect on customer retention of mobile service users through customer commitment.

H6: Customer's commitment has a positive direct effect on customer retention of mobile service users.

Table (2.5)
Summary of Study Hypotheses

Number of Hypotheses	Hypotheses
H1	Relationship marketing has a positive direct effect on customer retention of mobile service users.
H1a	Relationship marketing has a positive indirect effect on customer retention of mobile service users through customer commitment and trust.
H2	Relationship marketing has a positive direct effect on customer's commitment of mobile service users.
H2a	Relationship marketing has a positive indirect effect on customer's commitment of mobile service users through customer trust.
H3	Relationship marketing has a positive direct effect on customer's trust of mobile service users.
H4	Customer's trust has a positive direct effect on customer commitment of mobile service users.
H5	Customer's trust has a positive direct effect on customer retention of mobile service users.
H5a	Customer's trust has a positive indirect effect on customer retention of mobile service users through customer commitment.
H6	Customer's commitment has a positive direct effect on customer retention of mobile service users.

Chapter Three
Research Methodology

In previous chapters, the guideline of the research and its supporting literature has been discussed. In this chapter, the research methodology used in the study is discussed, including the choice of methodology approaches that were adapted, data collection, research population and sample selection and instrument used to collect the data. Moreover, methods implemented to maintain validity and reliability of the instrument are described. Data collection and analysis tools are also highlighted.

3.1 Research Purpose

The purpose of the research is a statement of what is to be accomplished by conducting research and how the results of the research can be used. According to their purpose, researches can be categorized into different types, where the nature of the problem affects whether the research is exploratory, descriptive or explanatory (Zikmund, 2000; Yin, 1994).

The purpose of this study is investigating the main determinants of customer retention, as well as evaluating and validating the proposed model in Jordan's mobile telecommunications companies. All of the determinants of customer retention in the studied model, which are relationship marketing and relationship quality (customer commitment and customer trust), have been considered in the literature and previous theories. Based on this description and on the mentioned research purposes, this research centers on a problem that is well structured and clearly understood (Cavana et al. 2001; Ghauri,et al.1995). Therefore, the research is of a descriptive nature.

3.2 Research Design (Approach)

A research design is defined as the blue print and a detailed plan of how a research study is to be conducted (Neuman, 1997: 37). Research Design includes both a theoretical and methodological approach. The theoretical approach can be either inductive or deductive, and a methodological approach is qualitative or quantitative (Zikmund, 2000).

This research starts with a literature overview and developed questions from the already existing theories, which later is compared with the reality, and the main idea is drawn form already existing theories within the research area (Yin, 1994); therefore, this research is of deductive nature. In this study, a lot of data has been collected by distributing questionnaires. All of these data were numerical, and as a result the methodological research approach in this study is quantitative.

Budget and time constraints demand that a cross-sectional design be used for this research. Accordingly, a descriptive cross-sectional design was chosen, as cross-sectional studies assess variables of interest in a sample of subjects at once and determine the relationships between them (Kirk, 1995), which is the objective of this study.

3.3 Research Strategy

According to the mentioned description, the research strategy which best fits this research would be a survey, as far as the research approach is deductive and quantitative, a survey would be a good choice (Kirk, 1995; Saunders, Lewis & Thornhill, 2000). Thus, a quantitative survey methodology using self-administered questionnaires has been adopted to collect data from undergraduate students at Jordanian universities about the underlying constructs proposed in the theoretical model.

3.4 Population and Sampling Design

Population refers to a whole group of people or the things of interest that the research intends to investigate (Cavana et al., 2001). Sample is the segment of the population that is selected for investigation (Bryman & Bell, 2003). The target population of this research consists of all undergraduate students at Jordanian universities currently using the mobile communication service, which exceeds more than tow hundred thousand students. Undergraduate students were selected for the following reasons:

First, most university students had the sufficient experience with mobile phones to establish reliable perceptions and opinions regarding the service.

Second, the consumer group that is most likely to adopt and actively use wireless applications is the young market (Cheskin Report, 2001).

Third, University students represent one of the largest segments in Jordan with a potential to grow in term of quantity and quality of future purchase.

3.4.1 Sampling Procedures

This study was undertaken via the method of a questionnaire that focused on each of the construct as described in the previous section. Since the source of these people is unavailable in the public domain, judgmental sampling, one of the non-probability methods, was be adopted to reach the subjects. It has been suggested that a range of a minimum sample size of 30 and a maximum of 500 is acceptable (Sekaran, 2000). A Judgmental sample of students was selected from six Jordanian universities: three governmental universities (University of Jordan, Mu'tah and Yarmouk),

and three private universities (Al-isra', Philadilphia and Al-zaytoonah). The Researcher chooses the largest universities among Jordanian public and private universities. On the other hand, these universities located at several versions in Jordan (North, South and Middle) which make the sample more representatives for mobile customers.

The researcher first distributes a survey questionnaire to each of the 500 sample students by hand, together with a cover letter that explains the purpose of the present study. The researcher followed up, personally, the questionnaires with the sample members. The returned questionnaires were carefully examined for completeness. A total of 441 questionnaires were collected, 15 questionnaires were neglected due to incomplete information. Thus, the researcher had 426 usable responses resulting in an 85.2% response rate, which was comparable to other studies of a similar nature.

3.5 Data Collection method and Instrument

In this survey, a self-administrated questionnaire with closed questions was developed. Meanwhile, whether to ask a question in an open or closed format is one of the most significant considerations for many researchers. According to (Bryman & Bell, 2003), closed questions have some advantages: it is easy to process answers; it enhances the comparability of answers, and makes them easier to show the relationship between variables. It is superior to open questions for this type of research.

3.5.1 Data Collection:

The data collected can be classified as primary versus secondary data. "Primary data is gathered and assembled specifically for the research project in hand. Secondary data is often found inside the company, in the library or on the internet and it can be collected quickly" (Petra, 2004.p69)

The researcher started looking for the relevant literatures and articles available in the library and different databases, using keywords like “relationship marketing”, “customer retention”, “relationship quality”, and “relational bonds” for searching information. Several articles and books were found, but the researcher tried to sort out those that were directly related to the thesis topic. After reading carefully through these articles, the researcher found some of them to be quite interesting and worthwhile in order to get help for developing the idea of this thesis. In the first phase of data collection, the researcher will use secondary data for building up the research model and questionnaire. In the second phase of the data collection, primary data will be applied to the research investigation.

3.5.2 Questionnaire structure:

The questionnaire was composed of two parts and total 26 statements (see appendix I). The first part is about individual characteristics with three questions, namely the respondents' gender, the period of mobile usage, and the name of the main mobile telecom operator they are choosing currently. The second part contains all constructs in the research model with a total of 23 statements. Several items on each construct are developed and adopted from relevant literatures (show table 1.3).

Table (3.1)
Construct Measurement

Construct	No. of Items	Source of Items
Relationship Marketing	8	Berry (1995); Gwinner et al (1998); Liang et al. (2008); Crosby et al. (1990); Tzokas. Saren and Kyziridis (2001); Zeithaml and Bitner (1996); Dibb & Meadows (2001).
Relationship Quality:		Mouri (2005); Sharma &
Customer Trust	3	Patterson(2000); Smith (1998); Morgan
Customer Commitment	5	& Hunt (1994); Colgate & Lang (2001)
Customer Retention	7	Peighambari (2007); Sharma & Patterson (2000); Liang et al. (2008).

A five-point likert scale typically gives sufficient discrimination and is easily understood by survey participants. This is usually recommended for most survey settings (Brace 2004, 82). All of the items were measured by using a five-point likert scale ranging from "Strongly Agree" (anchored by point 5) to "Strongly Disagree" (anchored by point 1).

3.6 Variable measurement: Operational Definitions

Before a scale of measurement is developed, the researcher must determine exactly what it is to be measured (Hair, Bush & Ortinau. 2000). Concepts or variables in this study were not directly observable, so they had to be operationalized in a way that enables the researcher to measure them. Operational definitions of variables measured in this study were borrowed and were slightly modified from previous studies. These definitions are presented in Table (3.2).

Table (3.2)
Operational Definitions

Variables	Operational definition	Items
Relationship Marketing	The ability of mobile service providers to retain their customers through enhancing relational bonds (Financial and Structural Bonds).	1-8
Relationship Quality	The ability of mobile service providers to assess the strength of a business relationship, combining trust and commitment:	
	- Trust: A mobile service user's perception that the company relationship with the major provider is reliable, trustworthy and honest.	9-11
	- Commitment: The degree to which mobile service users are committed and loyal to their main provider, and put maximum effort to maintain the relationship with them.	12-16
Customer Retention	A mobile service provider's ability to retain current customers, through continuing their use of the same mobile service in the future, recommending the mobile service provider to their friends and choosing the same provider when they do it all over again.	17-23

3.7 Analyses Tools

Completed questionnaires were checked and coded before the raw data was entered in the computer for analysis. A number of statistical techniques were applied to test and interpret the results of the data analysis. Data collected were analyzed using SPSS version 16.0 for purposes of descriptive statistics on the demographic characteristics of the subjects and exploratory factor analysis, while Partial Least Square (PLS), using SmartPLS 2.0 M3 release, was used to determine the interactions between the various constructs (namely relationship marketing, customer trust, customer commitment, and customer retention) for ascertaining the various structured equation models. The Beta in the reports is interpreted in terms of the relationship between the variables. The R-square in the reports tells the amount of variance explained in the dependent variable by the predictors (Cavana et al., 2001).

3.8 Instrument Validation and Reliability

Saunders et al. (2000) contribute that to reduce errors and receiving wrong answers. Attention has to be emphasized on two particular research devises; Reliability and Validity. Zikmund (1994) claims that validity is the ability to measure what is intended to be measured. Reliability, on the other hand, is the degree to which evaluated data is free from arbitrary errors. Following the two-step approach recommended by Zikmund (2000), adequacy of each multi-item scale in capturing its construct is assessed using the measurement model of all constructs by checking internal consistency reliability, convergent validity and discriminant validity before testing the hypotheses via the causal model. Several tests were performed on the measurement models to examine their validity and reliability. First, the composite reliability for the internal consistency is demonstrated, since values for all constructs are above the suggested threshold of 0.70 (Nunnally, 1978) (Table 3.3) and the lowest value of composite reliability is 0.8561, which is larger than the recommended value of 0.7, showing good reliability. Convergent validity can be assessed by examining Average Variance Extracted (AVE) from the measures. For AVE, a score of 0.5 indicates acceptability (Fornell and Larcker 1981). From Table (3.3), we can see the AVE ranges from 0.5065 to 0.6681, which shows convergent validity. Also, the Cronbach's alpha for all constructs are above 0.70 (Cortina, 1993), which implies a high reliability of the measures.

Table (3.3)
Composite Reliability and AVE for Internal Consistency

Construct	AVE	Composite Reliability	R Square	Cronbach Alpha
Customer Commitment	0.6479	0.9015	0.3629	0.8627
Customer Retention	0.5065	0.8709	0.6839	0.8206
Customer Trust	0.6681	0.8579	0.2201	0.7522
Relationship Marketing	0.5272	0.8561	0.0000	0.8087

Second, the standardized factor loadings for all items are above the suggested cut-off 0.60 (Hatcher, 1994) (Table 3.4) and all are significant, showing strong evidence of convergent validity. All items are significant with high loadings, which are above the recommended value of 0.60, therefore demonstrating convergent validity.

Table (3.4)
Measurement Model Statistics

Measurement Mode(Loading)--Bootstrap			
Construct	**Scale Items**	**Loadings**	**T-Statistic**
Customer Commitment	CC1	0.7175	11.0759
	CC2	0.7425	12.7822
	CC3	0.8343	22.8709
	CC4	0.8577	28.3505
	CC5	0.8613	28.0079
Customer Retention	CR1	0.7915	15.1884
	CR2	0.811	19.9403
	CR3	0.8551	28.6107
	CR4	0.8272	22.7594
	CR5	0.7003	11.0227
	CR6	0.6286	6.4506
	CR7	0.6144	5.4478
Customer Trust	CT1	0.801	17.2175
	CT2	0.8202	16.3071
	CT3	0.8305	18.2297
Relationship Marketing	RM1	0.6645	8.6844
	RM2	0.6404	7.5889
	RM3	0.6614	8.7336
	RM4	0.7242	10.9697
	RM5	0.6018	5.9886
	RM6	0.6401	7.9305
	RM7	0.6462	7.6769
	RM8	0.6437	7.3995

Table 3.5 presents the discriminant validity statistics. The square roots of the AVE scores (diagonal elements of Table (3.5) are all higher than the correlations among the constructs, thus demonstrating discriminant validity. Cross-loadings of constructs are provided in Table (3.6). All items are loaded higher on their respective constructs than on others, providing additional support for discriminant validity.

Table (3.5)
Correlations and Average Variance Extracted (AVE) (Diagonal)

Construct	CC	CR	CT	RM
Customer Commitment	**0.8049**			
Customer Retention	0.7117	**0.7659**		
Customer Trust	0.5699	0.6470	**0.8174**	
Relationship Marketing	0.4398	0.5576	0.4691	**0.7261**

Table (3.6)
Cross-Factor Loadings

Factor Structure Matrix of Loadings and Cross-Loadings					
Construct	**Items**	**Customer Commitment**	**Customer Retention**	**Customer Trust**	**Relationship Marketing**
Customer Commitment	CC1	**0.7175**	0.5500	0.4430	0.2904
	CC2	**0.7425**	0.5093	0.3653	0.2881
	CC3	**0.8343**	0.6512	0.4795	0.4059
	CC4	**0.8577**	0.6572	0.5145	0.4076
	CC5	**0.8613**	0.6918	0.4761	0.3600
Customer Retention	CR1	0.6363	**0.7915**	0.4879	0.3931
	CR2	0.6316	**0.8110**	0.5454	0.4189
	CR3	0.6273	**0.8551**	0.5558	0.4314
	CR4	0.6402	**0.8272**	0.5826	0.3889
	CR5	0.5279	**0.7003**	0.3964	0.3307
	CR6	0.3530	**0.6286**	0.2397	0.4761
	CR7	0.2679	**0.6144**	0.3068	0.4143
Customer Trust	CT1	0.4897	0.5662	**0.8010**	0.4264
	CT2	0.4255	0.5039	**0.8202**	0.3274
	CT3	0.4762	0.5103	**0.8305**	0.3879
Relationship Marketing	RM1	0.2672	0.3176	0.2911	**0.6645**
	RM2	0.2080	0.2944	0.3334	**0.6404**
	RM3	0.3558	0.4421	.4120	**0.6614**
	RM4	0.3014	0.3799	0.3091	**0.7242**
	RM5	0.3398	0.3484	0.2004	**0.6018**
	RM6	0.2241	0.3405	0.2712	**0.6401**
	RM7	0.2878	0.3527	0.2712	**0.6462**
	RM8	0.2835	0.4014	0.3260	**0.6437**

Face validity and content validity refer to the subjective agreement among professionals that a scale logically appears to accurately reflect what it purports to measure (Zikmund, 2000). In order to establish face validity, an initial version of the instrument was pre-tested using several academic persons (Appendix III). The participants were asked to comment on the format and appropriateness of the questions, and to suggest any items that they believed should be included in the instrument. In view of their suggestions, several adjustments were incorporated into the instrument with the inclusion of some new questions that greatly improved clarity. The derived instrument was then tested for reliability.

Chapter Four

Data Analysis and Discussion

4.1 Introduction

This chapter describes the data analysis of the survey and presents the hypotheses testing results. Section 4.2 describes the demographic characteristics of the respondents in this survey. Section 4.3 presents the results of the PLS analysis (measurement model) of this study and summarizes it with the correlation of the constructs. Section 4.4 explains the hypotheses tests carried out and reports the results of the statistical analysis, which include the impact of independent variables on the dependent variables in the context of customer retention.

4.2 Demographic Characteristics

There were two main reasons for analyzing the demographic characteristics of the respondents in the research. First, a clear profile of the characteristics of the respondents had to be established, and second, the representativeness of the samples to the population being studied had to be accessed (Lawley & Perry, 1998). The demographic characteristics of the respondents, who are undergraduate students of Jordanian universities, were analyzed and are summarized in the following section.

From the results in table (4.1), it can be stated that 56.8% of respondents were female and 43.2% of them were male. As it is obvious, the largest percentages of respondents were males.

Table (4.1)
Frequencies and Percentages of respondents according to their gender

Gender	Frequency	Percent %
Male	184	43.2
Female	242	56.8
Total	426	100

According to the phone usage table (table 4.2), 45.5% of respondents have been using their mobiles for less than 2 years, while 40.3% of the respondents were classified between 2-4 years of usage (the highest percent). Finally, 14.2% of the respondents have been using their mobiles for more than 4 years.

Table (4.2)
Respondents' Phone usage

Mobile phone usage	Frequency	Percent %
Less than 2 years	194	45.5
2-4 years	150	40.3
More than 4	82	14.2
Total	426	100

Regarding the service provider, it can be figured out from the results in table (4.3) that 36.2 % of respondents are using Zain, 34.5% using Orange and 29.3% using Umniah as a service provider.

Table (4.3)
Respondents' service provider

Service provider	Frequency	Percent %
Zain	154	36.2
Orange	147	34.5
Umniah	125	29.3
Total	426	100

4.3 Partial Least Squares (PLS)

To overcome limitations of regression-based techniques, more and more authors started using structural equation modeling (SEM) as an alternative. Compared to regression-based approaches, which analyze only one layer of linkages between independent and dependent variables at the same time, SEM, as a second-generation technique, allows the simultaneous modeling of relationships among multiple independent and dependent constructs (Gefen, Straub, & Boudreau, 2000).

There are two types of estimation techniques for a Structural Equation Modeling (SEM). The first type is the Maximum Likelihood (ML) based on the covariance structure analysis method, and the second type is the Partial Least Squares (PLS) which is based on the variance analysis method. The PLS procedure has been gaining interest and use among researchers in recent years because of its ability to model latent constructs under conditions of non- normality and small to medium sample sizes. It allows for the specification of both the relationships among the conceptual factors of interest and the measures underlying each construct. The result of such a procedure is a simultaneous analysis of how well the measures relate to each construct, and whether the hypothesized relationships at the theoretical level are empirically confirmed. This ability to include multiple

measures for each construct also provides more accurate estimates of the paths among constructs, which are typically biased downward by measurement error when using such techniques as multiple regressions. In this study, the data collected from questionnaires were analyzed by using the PLS technique, and the results are presented in the next section.

4.3.1 PLS Results

SmartPLS 2.0 M3 release (Ringle et al., 2005) was used to perform the analysis in this study. The structural model is evaluated by using the R-square (R2) for dependent constructs (indicated within the ovals that represent the dependent constructs in this model), the size and t-statistics and significant level of structural path coefficient. The t-statistics are estimated using the bootstrap re-sampling procedure. The structural model results are illustrated in figure 4.1 and table 4.5. Table 4.5 shows the proposed hypotheses and the path coefficient along with their respective t-statistics.

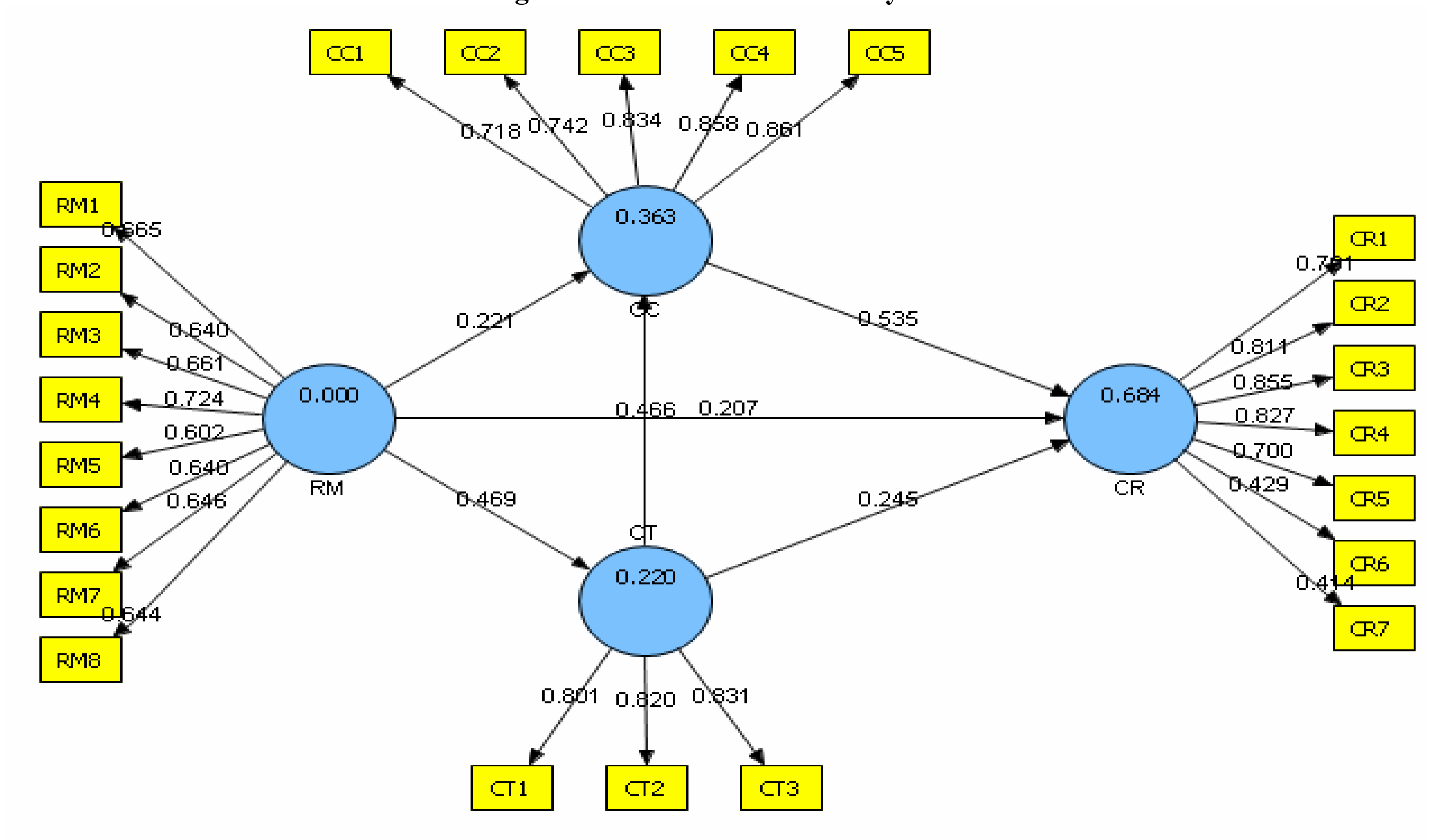
4.3.2 R-square

SmartPLS provides the squared multiple correlation (R^2) for each endogenous construct. This number is used to measure the percentage of construct variation that the model explained (Wixom and Watson, 2001). The R2 value from PLS results is 0.684 for this model, which indicates that more than 68% of the variance in customer retention of the sample is explained by the model and its determinants, providing strong evidence of the strength of the model in explaining and predicting customer retention. Other values of R2 show that relationship marketing explained 22% of customer trust. In addition, relationship marketing and customer trust explained 36.3% of customer commitment. Table (4.4) shows the summary.

Table (4.4)
(R^2) for each endogenous construct

Construct	R Square
Customer Commitment (CC)	0.3629
Customer Retention (CR)	0.6839
Customer Trust (CT)	0.2201

Figure 4.1: Results of PLS Analysis



4.4 Hypotheses Testing and Discussion

The next step is to test the proposed hypotheses. SmartPLS provides path coefficients that indicate the strength of the relationship between the two constructs (Wixom & Watson, 2001). The bootstrap procedure with 200 resample was used to calculate the significance of these coefficients. Having established confidence in the measurement model, an empirical structural equation model was developed and tested by the PLS approach. Figure 4.1 presents the structural path diagram with the coefficients of paths. The confirmation results of the proposed hypotheses are as follows:

The results of hypotheses testing indicate support for our hypothesized structural model. All of the hypothesized paths are significant. Table 4.5 demonstrate the results of the PLS data analysis.

Table (4.5)
Direct, indirect and total effect

Paths	Direct Effect		Indirect Effect		Total Effect	
	Path Coefficients	T-Value	Path Coefficients	T-Value	Path Coefficients	T-Value
RM -> CR	0.207	2.32*	0.350	3.68***	0.557	5.99***
RM -> CC	0.221	2.07*	0.219	2.64**	0.440	4.70***
RM -> CT	0.469	5.81***	-------	-------	0.469	5.81***
CT -> CC	0.466	5.62***	-------	-------	0.466	5.62***
CT -> CR	0.245	3.07**	0.250	2.93**	0.495	5.99***
CC -> CR	0.535	6.08***	-------	-------	0.535	6.08***

****** p< .001, ** p<.01, * p<.05, based on two-tailed test; t (p< .001) = 3.29; t (p< .01) = 2.58; t (p< .05) =1.96.***

H1: specifies that relationship marketing has a positive direct effect on customer retention. This hypothesis is verified (with the path coefficient = 0.207; t-statistic = 2.32 and p-value < .05). It shows that the higher the positive "relationship" the customers of a service provider would have, the higher their "retention" with that service provider would be. As a result, H1 was approved.

H1a: specifies that relationship marketing has a positive indirect effect on customer retention through customer trust and commitment. This

hypothesis is verified (with the path coefficient = 0.350; t-statistic = 3.68 and p-value < .001). It shows that strong "relationships" between customers and their service provider will lead to “trust in and commitment to” that service provider, which in turn leads to higher “retention” with that service provider. This means that customer trust and commitment mediate the effect of relationship marketing on customer retention. Thus, H1a was approved

The total effect (direct and indirect) of relationship marketing on customer retention is significant with coefficient = 0.557.; t-statistic = 5.99 and p-value < .001.

H2: specifies that relationship marketing has a positive direct effect on customer commitment. This hypothesis is verified (with the path coefficient = 0.221; t-statistic = 2.07 and p-value < .05). It shows that the stronger the “relationship” the customers of a service provider may have, the higher their overall “commitment” with that service provider would be. As a result H2 was approved.

H2a: specifies that relationship marketing has a positive indirect effect on customer commitment through customer trust. This hypothesis is verified (with the path coefficient = 0.219; t-statistic = 2.64 and p-value < .01). It shows that strong "relationships" between customers and their service provider would lead to “trust in” that service provider, which in turn leads to higher “commitment” to that service provider. This means that customer trust mediates the effect of relationship marketing on customer commitment. Thus, H2a was approved.

The total effect (direct and indirect) of relationship marketing on customer commitment is significant with coefficient = 0.440; t-statistic = 4.70 and p-value < .001.

H3: specifies that relationship marketing has a positive direct effect on customer trust. This hypothesis is verified (with the path coefficient = 0.469; t-statistic = 5.81 and p-value < .001). It shows that the higher positive “relationship” the customers of a service provider may have, the higher their “trust” in that service provider would be. As a result, H3 was approved.

H4: specifies that customer trust has a positive direct effect on customer commitment. This hypothesis is verified (with the path coefficient = 0.466; t-statistic = 5.62 and p-value < .001). It shows that the higher “trust” the customers of service providers feel, the higher their “commitment” with that service provider would be. As a result, H4 was approved.

H5: specifies that customer trust has a positive direct effect on customer retention. This hypothesis is verified (with the path coefficient = 0.245; t-statistic = 3.07 and p-value < .01). It shows that the higher "trust" the customers of service provider may feel, the higher their "retention" with that service provider would be. Thus, H5 was approved.

H5a: specifies that customer trust has a positive indirect effect on customer retention through customer commitment. This hypothesis is verified (with the path coefficient = 0.250; t-statistic = 2.93 and p-value < .01). It shows that higher levels of "trust" in a service provider will lead to higher "commitment" to that service provider, which in turn leads to higher "retention" with that service provider. This means that customer commitment mediates the effect of customer trust on customer retention. Thus, H5a was approved.

The total effect (direct and indirect) of customer trust on customer retention is significant with coefficient = 0.495.; t-statistic = 5.99 and p-value < .001.

H6: specifies that customer commitment has a positive direct effect on customer retention. This hypothesis is verified (with the path coefficient = 0.535; t-statistic = 6.08 and p-value < .001). It shows that the higher "commitment" the customers of service provider may have, the higher their "retention" with that service provider would be. Thus, H6 was approved.

Chapter Five

Discussion and Recommendations

This chapter is the conclusion of the whole thesis work based on data analysis results. It also contains some recommendations and implications for different purposes.

5.1 Discussion of the findings

In this thesis, the researcher proposes a model that strives for a better understanding of the success of long-term relationships between customers and service providers. This study shows the importance of relationship marketing and relationship quality (trust and commitment) and their direct and indirect effects on customer retention in Jordanian mobile telecommunications companies.

Relationship marketing includes providing customers with several relational bonds or benefits such as economic or financial (tying the customer, primarily through financial incentives, that may be in form of lower prices for greater volumes purchases or lower prices for customers who have been with the firm for a long time), and structural (The rules, policies, procedures, infrastructure, or agreements that provide a formal structure to a relationship; the norms or routines that informally govern interaction; and the organizational systems and technologies that enable or facilitate interaction, which all effectively provide psychological, legal, and physical ties with exchange partners).

5.1.1 Relationship marketing and customer retention:

This finding is similar with what Kassim et al. (2009) and Liang et al. (2008) have found. Relationship Marketing is a popular concept in current marketing research and practice; it has the potential to increase customer retention by building long-term customer relationships (Wang & Head, 2005). It can increase marketing effectiveness and efficiency by reducing marketing costs, facilitating the targeting of high-profit customers and reducing price sensitivity, (O'Malley & Tynan, 2000).

The intangible nature of services may encourage some customers to weigh fees or price heavily when selecting and evaluating providers. Price is visible and may be the only factor that is directly comparable across competing suppliers. Alternatively, a price decrease may be positively associated with continuity if it is viewed as a sincere attempt to retain the client against a strong competitor, or as a willingness to limit the supplier to a “fair” profit (Bowman, 1997). Additionally, by bundling several free services, a company can retain customers more effectively

through several separate relationships (Wirtz, 2001). Also, providing clients with valuable solutions which are not readily available from other sources could maintain customer loyalty (Berry, 1995), because professional knowledge and information may reduce the risk encountered.

According this finding, customers are likely to maintain a relationship with a mobile service provider that provides values and benefits. Value can be conceptualized as a cognitive variable and is commonly thought of as a sacrifice-benefit construct, that is a tradeoff between total benefits received and total sacrifices, taking into consideration the available suppliers' offerings (Cronin, et al., 2000; Patterson & Spreng, 1998). In this study value or relational bonds perception is created through the mobile services provider's offerings including free service, reducing cost, resolving problems, innovation services…etc. The results of the current study confirmed that relationship marketing has a positive direct effect on customer retention in the context of mobile telecommunication services (H1).

On the other hand, Relationship marketing was found to have indirect effects on customer retention of mobile service users through customer commitment and trust (H1a). This result is supported by a range of authors who suggest that bonds of various types improve relationship strength and quality, leading to increased consumer loyalty (Lin, Weng, and Hsieh 2003, Liljindar and Strandivik, 1995; Wilson and Mummalaneni, 1986). Zhang & Feng, (2009) suggested that a higher degree of relational bonds leads to a higher level of relationship quality and thus leads to higher levels of loyalty and retention.

5.1.2 Relationship marketing and customer commitment:

Gale (1994) described that companies succeed by providing superior customer value. In the business, customer partners that deliver superior benefits will be highly valued; customers will commit themselves to establishing, developing, and maintaining relationships with such partners (Morgan & Hunt, 1994). According to Smith (1998) the important components of relationship marketing and psychological attachments produced by relational bonds, are central to relationship stability. That is, any relationship attempting to develop customer values through partnering activities is likely to create a greater bonding between consumer and marketer, and the more the relationship is enhanced through such bonding, the more committed the consumer becomes. Hence, the customer is less likely to switch to other competitors (Sheth & Parvatiyar, 1995).

Relational bonds are important factors that encourage customer commitment and are expected to have substantial effects on the instrumental component, because they raise the customers' costs when the relationship is terminated. Therefore, these bonds may reinforce a

customer's decision to become involved in a long-term relationship (Lin et al, 2003). The result of the current study confirmed that relationship marketing has a positive direct effect on customer commitment in the context of mobile telecommunication services (H2).

Also the study's result found that relationship marketing has a positive indirect effect on customer commitment through customer trust (H2a). Gounaris, (2005) stated that the degree of trust between the service provider and the customer is directly influenced by the quality of the service and by the bonding strategy and techniques of the provider, offering superior service quality and effectively bonding with the customer leads the former to trust the service provider, this in turn results in commitment to the provider. Developing commitment appears to be particularly important not only for ensuring the maintenance of the relationship, but also for further enhancing it, because it leads to an intention to further invest and strengthen the relationship with the provider.

5.1.3 Relationship marketing and customer trust:

This is consistent with Lin et al. (2003) when they implied that to maintain a long-term relationship with a customer; businesses may provide economic benefits or structural benefits to strengthen customer trust and commitment. (Panda, 2003) stated that the feelings of reduced anxiety, trust, and confidence in the provider appear to develop over time only after a relationship has been established between the customer and the service providing organization. The economic benefits relate to discounts or price breaks for those customers who have developed a relationship with an organization. Also the stronger structural bonds are, the harder it will be for the client to break the relationship, and clients are literally forced into the relationship (Lewicki & Bunker, 1995). Consequently, clients better understand the motives, the intentions and the aims of their provider whom they eventually come to trust (Hut & Speh, 1995). The result of the current study confirmed that relationship marketing has a positive direct effect on customer trust in the context of mobile telecommunication services (H3).

5.1.4 Customer trust and customer commitment.

In relationship marketing literature, trust is generally considered as a key antecedent of relationship commitment (Moorman et al. 1992; Morgan & Hunt 1994; Geyskens et al. 1996; Garbarino & Johnson 1999). Relationships characterized by trust are so highly valued that parties will desire to commit themselves to such relationships (Hrebiniak, 1974). The social exchange theory explains this casual relationship between commitment and trust through the principle of generalized reciprocity, which holds that “mistrust breeds mistrust and as such would also serve to decrease commitment in the relationship and shift the transaction to one of

more direct short-term exchange" (McDonald, 1981). Morgan & Hunt, (1994) propose that relationship commitment and trust are key variables for successful relationships because they promote cooperative behaviors between relationship partners and encourage them to maintain long term relationships. They suggest that relationships characterized by trust and commitment allow partners to be more accepting of high-risk situations because each party believes that the other party will be inclined to engage in activities that are, in the long-term, in the best interest of both partners.

Hennig-Thurau & Klee, (1997) stated that trust is also believed to promote commitment in two ways. First, trust is crucial to relationship efficiency. For example, it serves as a substitute for contractual agreements and increases interaction efficiency, thus decreasing transaction costs. This increase of relationship efficiency entails an increased net benefit for the customer (as well as for the supplier), which in turn fosters the cognitive commitment of the customer to the relationship. Second, trust addresses the central social needs of the customer, the fulfillment of which leads to an affective commitment to the relationship. The result of the current study confirmed that customer trust has a positive direct effect on customer commitment in the context of mobile telecommunication services (H4).

5.1.5 Customer trust and customer retention.

Trust exists if a customer believes a service provider to be reliable and to have a high degree of integrity (e.g., Moorman et al., 1992; Morgan & Hunt 1994). Trust is seen by several authors as a necessary ingredient for long-term relationships (Bendapudi & Berry 1997; Doney & Cannon 1997; Ganeson 1994); however, the direct influence of trust on retention has been questioned by recent empirical studies (e.g., Chih et al, 2009; Graf & Perrien, 2005; Ranaweera & Prabhu, 2003; Chen et al, 2001).

Trust is a mutual construct; "If firms ask for customer trust, they should also trust their customers in return" (Cowles 1996). As the development of trust in the provider is a powerful strategy for reducing the risk perceived (Sheth & Parvatiyar 1995), trust is of particular importance when a high degree of uncertainty exists (Grönroos 1994). The result of the current study confirmed that customer trust has a positive direct effect on customer retention in the context of mobile telecommunication services (H5).

On the other hand, customer trust was found to have indirect effects on customer retention through customer commitment (H5a). Trust creates benefits for the customers (e.g. relationship efficiency through decreased transaction costs) that in turn foster his or her commitment and loyalty to the relationship. When trust is not considered alone, but along with relationship commitment, its impact on customer retention is mediated by relationship commitment (Doney and Cannon 1997; Harris and Goode

2004). Morgan and Hunt (1994) hypothesize in their key mediating variable model that there is a positive relationship between trust and commitment and a positive relationship between commitment and loyalty. Garbarino and Johnson (1999), who also measured commitment as a one-dimensional concept, found that commitment mediated the relationship between repurchase intentions and various antecedent variables (also including trust). Chen, et al, (2001) stated that trust has indirect effects on the propensity to leave through relationship commitment, so relationship commitment and trust can be assessed, enhanced and utilized in the business to customers, thus, to improve customer retention and to reduce the propensity to leave are important.

5.1.6 Customer commitment and customer retention:

Commitment implies that there are mutual benefits and that the parties involved want to stay in the relationship and are prepared to put in effort and investments in terms of monetary and psychological aspects in maintaining the relationship (Morgan and Hunt, 1994). Commitment is positively related to repurchase intentions (Fullerton, 2005) and it was empirically proved to have a substantial negative effect on the propensity to leave (Norton, Gudergan & Young, 2004). Customer commitment can influence the way in which customers behave in relation to a firm, these attitudes are particularly relevant to the decision to switch or stay (Bansal et al., 2004). Committed customers are more likely to maintain the relationship and return to the marketplace in the future. Actually, commitment has a temporal dimension indicating that the relationship exists over time, which is similar to the retention (Garbarino & Johnson, 1999). Commitment implies the importance of the relationship to the relationship partners and their desire to maintain the relationship in the future (Wilson 1995). The previous studies indicate that commitment plays a vital role and is very significant in influencing customer retention (Chen et al., 2001; Soni et al. 1996). The results of the current study, thus confirm that customer commitment has a positive effect on customer retention in the context of mobile telecommunication services (H6).

5.2 Contributions of the Study:

Not only does the present study contribute to the relevant literature by confirming some of its theories, but it also provides new and interesting insights:

1. The conceptual foundations of relationship marketing have not been fully developed. There is no agreement among researchers about the key elements that capture this concept, particularly in relation to different industries (Eiriz and Wilson, 2006). More specifically, few studies have

focused on testing relationship marketing models in the mobile telecom industry context.

2. The proposed model contributes to existing theories on relationship marketing by empirically investigating its association with relationship quality and customer retention in the mobile telecom industry context.
3. The inclusion of relationship quality components (trust and commitment) as moderating variables among relationship marketing and customer retention provides an additional contribution.
4. Importantly, this research also provides managers in services, particularly those in the mobile telecom industry in developing countries such as Jordan, with relevant information and recommendations to assist in improving their relationship marketing programs.
5. Despite the phenomenal growth in market, there are no other studies conducted in the Jordanian mobile telecommunications market about the effect of relationship marketing strategies on customer retention.

5.3 Limitations

In interpreting the results of this study, one must consider a number of limitations.

1. Unavailability of enough information or statistics concerning information on clients in the mobile telecommunications companies in Jordan, and some information could not be revealed for security reasons.
2. There is a Lack of studies that searched directly in to the moderator effect of relationship quality on relationship marketing & customer retention relation.
3. The questionnaire only asked the respondent their opinions ranging from strongly agreeing to strongly disagreeing on a Likert scale of 1-5. This might limit the respondent in reflecting on their exact view regarding the questions asked.
4. This research uses the survey research method. The research make sampling for the undergraduate students who study in Jordanian University Inevitably, the survey findings will not be generalized cross other group of population. It will bring limitation to complete a deeper research about the impact of customer relationship marketing on customer retention.

5.4 Recommendations

The findings of this research provide important evidence for managers who take charge of relationship marketing. It is helpful for marketers to understand the effectiveness of relationship marketing from the consumer's perspective.

The company should give more attention to relational bonds and give especial values and treatment to the loyal customers. Also, providing clients with valuable solutions which are not readily available from other sources could maintain customer loyalty (Berry, 1995). Also, companies may increase customer retention by supplementing their core products with additional services (Brill 2000; Meyer & Blümelhuber 2000). Personalized treatment should be offered if necessary in order to improve the customer relationship.

Mobile companies managers' can be created, reinforced customer retention by relationship marketing plans aimed at building trust, demonstrating commitment to service, communicating with customers in a timely, reliable and proactive fashion.

Mobile companies need powerful customer databases to collect information about customer needs, preferences, wants, expectations, and complaints. Information about customers should be stored and later used so that the company can get feedback and evaluate its working processes.

A complaint management system is considered one of the most powerful tools for listening to customers (Jeschke, Schulze & Bauersachs 2000). Communication tools include internet chartrooms, email correspondence and telephone hotlines (Diller 1998; Vavra 1992). Also, providing high quality services and information is an effective way to maintain high quality relationships with customers.

In order to maximize customer retention metrics, many firms use relationship marketing instruments such as loyalty programs, also known as frequency reward programs and direct millings (Waarden, 2008).

Managers should constantly create switching barriers that tie the customer to the service provider and maintain the relationship. So the company should offering innovative, personalized services and developing a prompt response system.

Managers should continuously keep track of the relationship between their employees and their customers. Also, proper training of employees should be seen as a necessity in order to develop a customer retention program.

5.5 Future Research

This research analyzed the relationship quality (trust and commitment) as moderators' factors, such as communication (Mohr, & Spekman, 1994), coordination (Naudé and Buttle, 2000), customer orientation (Crosby et al, 1990), on the relationship between the relational bonds and customer retention in the Jordanian mobile telecommunication services context.

Additionally, this study was cross-sectional (a research study for which data are gathered just once). It would be interesting to discover the

longitudinal study (a research study for which data are gathered at several points in time to answer the research question). This might produce the real users' perception about relationship marketing, relationship quality and customer retention.

Another future possibility is to perform the same study on different contexts in Jordanian environment such as banks, insurances, and hotels context.

This thesis is like previous studies which investigated relationship as perceived by the customer, and so future research can look at relationship quality in perspective of the company. And it can adopt the organizational behavior (information sharing, communication quality, long-term orientation and organizational satisfaction (Lages et al, 2005), instead of the customer\buyer behavior approach.

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Appendix (I)

Questionnaire in English



Dear Student,

This questionnaire aims to study the effects of relationship marketing on customer retention among Jordanian mobile telecommunication Companies, on the one hand, and trying to find the effect of relationship quality as a moderator variable on the other hand.

I kindly ask you to read the statement carefully, and answer them objectively taking into consideration that these data are going to be used only for academic research. Your contribution will be of great assistance in getting objective and practical conclusions.

Thank you in anticipation for your help.

The Researcher
Arwa Abd-alsalam Al-Qaralleh
Mu'tah University

PART 1: General information

Please answer the following questions by either choosing a predefined answer:

- **Gender:**

  Female ☐ Male ☐

- **Usage of cellular phone:**

  Less than 2 years☐ 2-4 years☐ more than 4 years☐

- **Service provider:**

  Zain☐ Orange☐ Umniah☐

Part two:

The following is a group of questions related to the ability of Jordanian mobile service providers to retain their current customers. Please put down ✓in the square that reflects your point of view or extent of agreement on each of these factors:

N	Items	Evaluation				
	Relationship Marketing					
	Mobile service provider :					
1	Offers gifts to encourage future purchasing	Strongly agree	Agree	No opinion	Disagree	Strongly disagree
2	Offers rebates if outgoing calls are more than a certain amount	Strongly agree	Agree	No opinion	Disagree	Strongly disagree
3	Helps save on telecommunications cost	Strongly agree	Agree	No opinion	Disagree	Strongly disagree
4	Provides prompt service for regular customers	Strongly agree	Agree	No opinion	Disagree	Strongly disagree
5	Provides personalized service according to my needs	Strongly agree	Agree	No opinion	Disagree	Strongly disagree
6	Often provides innovative services	Strongly agree	Agree	No opinion	Disagree	Strongly disagree
7	Provides a prompt response after a complaint	Strongly agree	Agree	No opinion	Disagree	Strongly disagree
8	Offers new information about its products/services	Strongly agree	Agree	No opinion	Disagree	Strongly disagree
	Customer Trust					
9	I trust that this provider provides the best mobile service	Strongly agree	Agree	No opinion	Disagree	Strongly disagree
10	In our relationship my major provider has high integrity.	Strongly agree	Agree	No opinion	Disagree	Strongly disagree

11	This operator provides timely and trustworthy information	Strongly agree	Agree	No opinion	Disagree	Strongly disagree

Customer Commitment

12	I am very committed to my relationship with my provider	Strongly agree	Agree	No opinion	Disagree	Strongly disagree
13	I intend to continue using mobile services from this provider for a long time.	Strongly agree	Agree	No opinion	Disagree	Strongly disagree
14	I feel like there is a 'bond' between my provider and myself	Strongly agree	Agree	No opinion	Disagree	Strongly disagree
15	I should put maximum effort to maintain the relationship with my present provider.	Strongly agree	Agree	No opinion	Disagree	Strongly disagree
16	I feel a sense of loyalty to my main provider	Strongly agree	Agree	No opinion	Disagree	Strongly disagree

Customer Retention

17	I consider my mobile operator as my first choice for mobile services	Strongly agree	Agree	No opinion	Disagree	Strongly disagree
18	In the future I will continue to carry out mobile services with my provider	Strongly agree	Agree	No opinion	Disagree	Strongly disagree
19	In the future I will continue to recommend the mobile service of my provider to my friends and acquaintances	Strongly agree	Agree	No opinion	Disagree	Strongly disagree
20	I have said positive things about my mobile operator to others	Strongly agree	Agree	No opinion	Disagree	Strongly disagree
21	If I had to do it all over again, I	Strongly	Agree	No	Disagree	Strongly

	would choose the same provider	agree		opinion		disagree
22	I would not switch to another provider that offers better prices	Strongly agree	Agree	No opinion	Disagree	Strongly disagree
23	I plan to maintain my relationship with my mobile operator in the future.	Strongly agree	Agree	No opinion	Disagree	Strongly disagree

Thank you!

Appendix (II)
Questionnaire in Arabic



استبانه البحث

عزيزتي الطالبة عزيزي الطالب:

تحية طيبة..

تهدّف هذه الاستبانة إلى دراسة اثر التسويق بالعلاقات على الاحتفاظ بالعميل لدى شركات الاتصالات الخلوية الأردنية من جهة، ومحاولة معرفة تأثير جودة العلاقات كمتغير وسيط من جهة أخرى.

لذا أرجو التكرم بقراءة العبارات بدقة، والإجابة عنها بموضوعية، علماً بأن هذه البيانات لن تستخدم إلا لأغراض البحث العلمي. وستكون دقة إجاباتكم ومساهمتكم عوناً كبيراً لي في التوصل إلى نتائج موضوعية وعملية.

وتفضلوا بقبول فائق الاحترام والتقدير..

الباحثة

أروى عبد السلام القرالة

جامعة مؤتة

<u>الجزء الأول:</u> بيانات شخصية ومعلومات اولية:

أرجو تعبئة البيانات التالية :

1-الجنس:

☐ ذكر ☐ أنثى

2- فترة استخدام الهاتف النقال:

☐ أقل من 2 سنة ☐ 2-4 سنوات ☐ أكثر من4 سنوات

3-مزود الخدمة الذي تتعامل معه بشكل رئيسي (اختيار مزود واحد) :

☐ زين ☐ أورنج ☐ أمنية

الجزء الثاني:

فيما يلي مجموعة من العوامل التي تؤثر على قدرة شركات الاتصالات الخلوية على الاحتفاظ بعملائها، الرجاء وضع إشارة (✓) في المربع الذي يعبر (من وجهة نظرك) عن مدى موافقتك عن كل عامل من هذه العوامل.

الرقم	العبـــــارات القياسية	التقييم				
	التسويق بالعلاقات					
	مزود خدمة الاتصال الخلوي الذي أتعامل معه يقوم بـ:					
1	تقديم هدايا وحوافز لتشجيع العملاء للاستمرار في التعامل معه مستقبلا.	موافق بشدة 5	موافق 4	محايد 3	غير موافق 2	غير موافق بشدة 1
2	تقديم خصومات للعميل الذي تجاوز عدد معين من دقائق الاتصال.	موافق بشدة 5	موافق 4	محايد 3	غير موافق 2	غير موافق بشدة 1
3	توفير الكثير من تكاليف الاتـصال مقارنـة مـع المزودين الآخرين.	موافق بشدة 5	موافق 4	محايد 3	غير موافق 2	غير موافق بشدة 1
4	تقديم خدمات مجانية للعمـلاء المنتظمـين الـذين يتعاملون معه باستمرار.	موافق بشدة 5	موافق 4	محايد 3	غير موافق 2	غير موافق بشدة 1
5	تقديم خدمات شخصية تتوافق مع حاجاتي الخاصة.	موافق بشدة 5	موافق 4	محايد 3	غير موافق 2	غير موافق بشدة 1
6	تقديم خدمات ومنتجات مبتكرة باستمرار.	موافق بشدة 5	موافق 4	محايد 3	غير موافق 2	غير موافق بشدة 1
7	الاستجابة السريعة للشكاوى التي يقدمها العميل.	موافق بشدة 5	موافق 4	محايد 3	غير موافق 2	غير موافق بشدة 1
8	تقديم أية معلومـات جديـدة عـن الخـدمات\ أو المنتجات التي يقدمها.	موافق بشدة 5	موافق 4	محايد 3	غير موافق 2	غير موافق بشدة 1

الثقة بمزود الخدمة:

9	أنا واثق بأن هذا المزود يقدم أفـضل العـروض لخدمة الاتصال الخلوي.	موافق بشدة 5	موافق 4	محايد 3	غير موافق 2	غير موافق بشدة 1
10	من خلال تعاملي مع هذا المزود أرى أنه يتعامـل معي بصراحة ونزاهة متناهية.	موافق بشدة 5	موافق 4	محايد 3	غير موافق 2	غير موافق بشدة 1
11	أنا أثق بالمعلومات التي يقدمها هذا المزود.	موافق بشدة 5	موافق 4	محايد 3	غير موافق 2	غير موافق بشدة 1

الالتزام مع مزود الخدمة:

12	أنا ملتزم جدا بعلاقتي مع هذا المزود.	موافق بشدة 5	موافق 4	محايد 3	غير موافق 2	غير موافق بشدة 1
13	اعتزم مواصلة استخدام خدمات الهاتف النقال مـن هذا المزود لمدة طويلة.	موافق بشدة 5	موافق 4	محايد 3	غير موافق 2	غير موافق بشدة 1
14	اشعر بوجود رابط بيني وبين هذا المزود.	موافق بشدة 5	موافق 4	محايد 3	غير موافق 2	غير موافق بشدة 1
15	يجب أن أبذل قصارى جهدي لإدامة علاقتي بهـذا المزود.	موافق بشدة 5	موافق 4	محايد 3	غير موافق 2	غير موافق بشدة 1
16	اشعر بإحساس الولاء لهذا لمزود.	موافق بشدة 5	موافق 4	محايد 3	غير موافق 2	غير موافق بشدة 1

الاحتفاظ بالعميل:

17	اعتبر هذا المزود خياري الأول للحـصول علـى خدمات الاتصال الخلوي.	موافق بشدة 5	موافق 4	محايد 3	غير موافق 2	غير موافق بشدة 1
18	سوف استمر بالحصول علـى خدمـة الاتـصال الخلوي من هذا المزود.	موافق بشدة 5	موافق 4	محايد 3	غير موافق 2	غير موافق بشدة 1
19	سوف استمر بنصح أصدقائي و معارفي للتعامـل	موافق بشدة	موافق	محايد	غير موافق	غير موافق بشدة

	مع هذا المزود.	5	4	3	2	1
20	أتحدث للآخرين بشكل ايجابي عن هذا المزود.	موافق بشدة 5	موافق 4	محايد 3	غير موافق 2	غير موافق بشدة 1
21	إذا احتجت إلى خط هاتف آخر سوف اختار هـذا المزود.	موافق بشدة 5	موافق 4	محايد 3	غير موافق 2	غير موافق بشدة 1
22	سوف لن أتحول عن هذا المزود إلى مزود أخـر حتى لو قدم الآخر أسعار أفضل.	موافق بشدة 5	موافق 4	محايد 3	غير موافق 2	غير موافق بشدة 1
23	لدي نية باستمرار علاقتي مع مزودي بخدمة الاتصال الخلوي في المستقبل.	موافق بشدة 5	موافق 4	محايد 3	غير موافق 2	غير موافق بشدة 1

شكرا جزيلا لتعاونكم معنا

الباحثة

Appendix (III)

Judiciary group

Judiciary group

1	Prof. Nidal AL-hawamdeh	Mu'tah University
2	Prof. Khalid Al-zubi	Mu'tah University
3	Prof. Zyad .Y. Al-Masher	Mu'tah University
4	Dr. Fahd Alkhateeb	Mu'tah University
5	Dr. Faisal M. Shawawreh	Mu'tah University
6	Dr. Samer AL- Mohammad	Mu'tah University
7	Dr. As'ad Alali	Mu'tah University
8	Dr. Rae'd Adaylah	Mu'tah University
9	Prof. Helme Shehadeh	Mu'tah University
10	Dr. Mo'tassim Al-Majali	Mu'tah University